

# EXHIBIT 1



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May 20, 2021

VIA CM/ECF  
The Honorable Rodney Gilstrap  
Sam B. Hall, Jr. Federal Building and United States Courthouse  
100 East Houston Street  
Marshall, TX 75670

Re: ***AGIS Software Development LLC v. T-Mobile USA, INC. and T-Mobile US, Inc.,***  
**No. 2:21-cv-00072-JRG**

Dear Judge Gilstrap:

Plaintiff AGIS Software Development LLC ("AGIS") and Defendants T-Mobile USA, INC. and T-Mobile US, Inc. ("T-Mobile") submit this joint letter under the Court's Standing Order Regarding Motions Under 35 U.S.C. § 101, regarding T-Mobile's Motion to Dismiss AGIS's counts related to U.S. Patent No. 7,031,728 (Count VI).

## I. AGIS's Position: Claim Construction Is Necessary To Inform The Court's § 101 Analysis

Defendants T-Mobile USA, INC. and T-Mobile US, Inc. ("T-Mobile") allege that the U.S. Patent No. 7,031,728 (the "'728 Patent") is directed to patent ineligible subject matter, and accordingly seeks to forego claim construction for *all* the Patents-in-Suit.<sup>1</sup> This Court has undergone claim construction for some of the Patents-in-Suit in two separate cases.<sup>2</sup> T-Mobile has not stated that it agrees to be bound by the prior constructions, merely that it seeks no claim construction on one of the six Patents-in-Suit. However, based on T-Mobile's arguments, claim construction is necessary in determining whether the '728 Patent is directed towards patent eligible subject matter.<sup>3</sup> Claim construction will assist the Court in determining the scope of the claimed inventions of the Patents-in-Suit and the Patents-in-Suit themselves. *See Autumn Cloud LLC v. TripAdvisor, Inc.*, 2017 WL 1856232, at \*1 (E.D. Tex. Apr. 3, 2017).<sup>4</sup>

T-Mobile's Motion is premature and unsupported, particularly where there are numerous factual disputes. In *Alice Corp. Pty. Ltd. v. CLS Bank Intern.*, the Federal Circuit set forth a two-step framework for analyzing whether the claims at issue claim patent-eligible subject matter: (1) are the claims directed to a patent-ineligible concept; and (2) if so, whether the elements of each claim both individually and as an ordered combination, transform the nature of the claim into a patent-eligible application. Analysis of the '728 Patent on a claim-by-claim and element-by-element basis would allow the Court to develop a fuller record from which to determine the scope of the invention.

T-Mobile's Motion incorrectly submits that the invention of the '728 Patent is directed to routine, well-understood, and conventional elements. However, "[t]he inventive concept inquire requires more than recognizing that each claim element, by itself, was known in the art." *See Bascom Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir.

<sup>1</sup> The Patents-in-Suit include U.S. Patent Nos. 7,031,728; 7,630,724; 9,408,055; 9,445,251; 9,467,838; and 9,749,829.

<sup>2</sup> *See AGIS Software Dev. LLC v. Huawei Device USA, Inc.*, Dkt. 204 (E.D. Tex. Oct. 10, 2018) (Lead Case); *AGIS Software Dev. LLC v. Google LLC*, Dkt. 147 (E.D. Tex. Dec. 20, 2020) (Lead Case).

<sup>3</sup> *See Bancorp Servs., L.L.C. v. Sun Life Assur. Co. of Canada*, 687 F.3d 1266, 1273-74 (Fed. Cir. 2012) ("[Claim construction] will ordinarily be desirable—and often necessary—to resolve claim construction disputes prior to a § 101 analysis, for the determination of patent eligible requires a full understanding of the basic character of the claimed subject matter.").

<sup>4</sup> "Courts often choose to deny motions seeking dismissal on the pleadings to obtain a more complete understanding of the claimed invention, because in many cases, it is not only more efficient to postpone patent eligibility determinations until after claim construction but, because the process will give the Court a fuller understanding of the patent, it is also more likely to lead the Court to the correct outcome with correct analysis." *Id.* Courts in this District have routinely denied Rule 12 motions made on § 101 grounds as premature. *See, e.g., Phoenix Licensing, LLC et al. v. Advance Am. Cash Advance Centers, Inc.*, No. 2:15-cv-01375-JRG-RSP, Dkt. 25 (E.D. Tex. Sept. 30, 2016); *Dynamic Applet Techs., LLC v. Mattress Firm, Inc.*, 2018 WL 5306647, at \*7 (E.D. Tex. Aug. 29, 2018); *Ectolink, LLC v. Elavon, Inc.*, 2016 WL 7670060, at \*4 (E.D. Tex. Sept. 7, 2016). The Federal Circuit has also stated in certain cases "claim construction is helpful to resolve the question of patentability under § 101." *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299, 1311 (Fed. Cir. 2016) (finding claims were not directed to an abstract idea and instead to "claimed process[es] us[ing] a combined order of specific rules" that improved on existing technological processes in the field of computer animation.").

2016).<sup>5</sup> T-Mobile's piecemeal analysis of isolated elements oversimplifies the '728 Patent. The '728 Patent states that the field of invention "relates generally to an integrated communication system using a plurality of cellular PDA/GPS phones for the management of a group of people through use of a communications network and, specifically, provide each user with a cellular phone that has features that permit all the users to know each other's location and status, rapidly call and communicate data among the users by touching display screen symbols, and enable users to easily access data concerning other users and other database information." '728 Patent, 1:6-15. The '728 Patent recognized the "cumbersome process" embodied by prior art and identified the benefits of the invention including (1) the ability to report location information and display that information on a map display; (2) the ability to exchange other entities of interest information; (3) the ability to make rapid voice and data calls; (4) the ability to make rapid conference calls; and (5) the ability to remotely control the cellular phone/PDA/GPS systems. *Id.*, 2:18-52. The specification further describes specific implementations of solutions to technical problems in the field of command-and-control systems.

T-Mobile ignores the inventive concepts of the '728 Patent, ignores numerous limitations, and reduces the invention to "known" concepts.<sup>6</sup> In its effort to oversimplify the claims for its Motion, T-Mobile itself raises claim construction issues. In claim element 7a, T-Mobile reads out the limitation on the *symbols* element, which further requires "each representing a different participant that has a cellular phone that includes said voice communication, free and operator selected text messages, photograph and video, a CPU, said GPS system and a touch screen display." In reading out this limitation, T-Mobile fails to address the construction of the claim element "free and operator selected text messages." Dkt. 24 at 18, 23; Dkt. 46 at 1. In claim element 7b, T-Mobile reads out the "providing" limitation from the method element b in order to reduce the claim to "storing" alone. Dkt. 24 at 18 ("Step [b] requires storing telephone numbers...") and 23; Dkt. 46 at 1. In limitation 7d, T-Mobile also fails to address the claim construction of the claim element "geographical location chart." Dkt. 24 at 18, 24; Dkt. 46 at 1. Each of these limitations presents underlying factual issues that are inappropriate for resolution at this time without claim construction argument and expert testimony.

Claim construction is necessary to provide meaning to the terms and obtain a proper understanding of the '728 Patent as well as the other Patents-in-Suit. Through claim construction, the Court may have the opportunity to obtain a fuller understanding of the Patents-in-Suit, the patented inventions, including the context of relevant intrinsic and extrinsic evidence which was outside the scope of T-Mobile's Motion.<sup>7</sup> Accordingly, AGIS respectfully requests

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<sup>5</sup> As is the case here, an inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces." *Id.*

<sup>6</sup> See *DDR Holdings, LLC v. Hotels.com, L.P.*, 954 F. Supp. 2d 509, 527 (E.D. Tex. 2013) ("[I]nventions with specific applications or improvements to technologies in the marketplace are not likely to be so abstract" as to be ineligible for patent protection). The Federal Circuit has cautioned that "describing the claims at such a high level of abstraction and untethered from the language of the claims all but ensures that the exceptions to § 101 swallow the rule." *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1337 (Fed. Cir. 2016).

<sup>7</sup> See, e.g., *Autumn Cloud*, 2017 WL 1856232, at \*1 (E.D. Tex. Apr. 3, 2017); *Secured Structures, LLC v. Alarm Sec. Grp., LLC*, 2016 WL 1253688, at \*4 (E.D. Tex. Mar. 10, 2016) ("[W]here the parties dispute the scope and

that the Court defer a decision on T-Mobile's Motion until it is permitted to undergo the claim construction process.

## II. T-Mobile's Position: Claim Construction Will Not Alter the Court's § 101 Analysis.

Claim construction is not necessary to resolve the § 101 inquiry and the '728 patent may be disposed of at the pleading stage. The claim language and the specification make clear that the claims are directed to the abstract idea of storing and organizing information about participants to be called and displaying the location of the participants on a digital map from which the user can place a call.

The Federal Circuit, and this Court, have both confirmed that claim construction is not a prerequisite to a § 101 analysis. *See, e.g., Cleveland Clinic Found. v. True Health Diagnostics LLC*, 859 F.3d 1352, 1360 (Fed. Cir. 2017) (affirming district court's § 101 determination in motion to dismiss prior to claim construction); *Voxathon LLC v. Alpine Elecs. of Am., Inc.*, 2016 WL 260350, at \*2 (E.D. Tex. Jan. 20, 2016) (holding claim construction unnecessary to resolve Rule 12(b)(6) motions to dismiss under § 101). Here, in light of the prior litigation involving the same asserted claim of the '728 Patent (claim 7), and AGIS's position throughout that litigation—including both trial and appeal—that plain and ordinary meaning applied, AGIS has no basis to assert that claim construction is now necessary.

In any event, AGIS has now had three opportunities to identify terms in the '728 patent that need construction to resolve the section 101 inquiry: the parties' meet and confer, AGIS's opposition brief, and this letter. ***AGIS still has not identified a single term that needs construction***; much less a construction that would affect the section 101 analysis. For this letter, the Court's standing order states that AGIS should identify "any claim terms that the respondent believes need to be construed, why such is needed, and what intrinsic references support such position." AGIS's failure to identify terms in light of the Court's order prove that no constructions are needed to resolve T-Mobile's motion.

Instead of actually identifying terms that need construction, AGIS makes two ancillary arguments, each of which should be rejected. First, AGIS argues that T-Mobile oversimplified certain limitations in its brief. For example, AGIS alleges that T-Mobile read out the limitation on "symbols," including the claim element "free and operator selected text messages." AGIS also insists that, while T-Mobile discusses "storing" phone numbers in step (b), it does not address the predicate act of "providing" phone numbers, and AGIS accuses T-Mobile of failing to address the "geographical location chart" limitation. What is missing from AGIS's letter is any argument that any of these terms actually require construction, what AGIS's proposed constructions would be, or how any differences in construction could possibly change the section 101 analysis.

AGIS tries to characterize the alleged oversimplification of these terms as a claim construction issue. It is not. T-Mobile's brief focused on the direction of the claims, as a whole,

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meaning of the asserted claims, as they do here, application of the principles governing a § 101 analysis is not a straightforward exercise.").

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